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Rewald data doesn't back accused spy

By Walter Wright
Advertiser Staff Writer

There were no calls to accused spy Richard Craig Smith in Salt Lake City paid for by Ronald Rewald's Honolulu firm in November 1982, a review of the company's telephone records indicates.

Smith, on trial in Virginia for selling classified information to a Soviet agent in Tokyo in 1982, Wednesday persuaded a federal judge to order production of those phone records.

Smith apparently hoped to find in those records some proof for his story that the CIA instructed him to sell secrets to the Soviets, so he could establish himself as a double-agent.

Smith claims he met twice with the Soviet agent in Tokyo in November 1982, then returned to the U.S. and reported his progress to two persons he believed were CIA agents. He says they gave him a Honolulu phone number which later turned out to be the listed number for Rewald's firm — Bishop, Baldwin, Rewald, Dillingham & Wong.

Smith told a reporter and his attorneys the phone number this spring, after there had been substantial publicity about Rewald's claim that Bishop Baldwin was set

up and run by the CIA as a cover operation.

Rewald says the CIA, not he, is to blame for the loss of \$22 million in investor funds prior to the company's collapse last July.

Rewald is facing state theft charges and is under federal investigation. An associate, Sunlin Wong, has pleaded guilty to mail and securities fraud charges, saying he knew the company was running a "ponzi scheme" to defraud investors.

The court order in the Smith case suggests that Smith is claiming he received a call in Salt Lake City from his alleged CIA handlers in November 1982.

Yesterday, The Advertiser reviewed available records for phone numbers listed to Bishop Baldwin and associated firms. No charges for phone calls in that month to any Salt Lake City numbers were found.

The court has also ordered the government to produce records — if any exist — of any calls made from CIA phones in Honolulu to Salt Lake City at the time.

The government has charged that Smith and his attorneys are on a fishing expedition, and have no reason to believe they will find anything in the records. The CIA says its own record search shows no mention of Smith or his supposed CIA contacts.

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Rewald Says He's Working in California as a Consultant

By Charles Memminger
Star-Bulletin Writer

Ronald Rewald says he has a job in California and is not planning to return to Hawaii except to make court appearances.

Rewald, in a telephone call yesterday, said he has a job as a consultant but would not say exactly where he is working. He said it has nothing to do with investments.

He also said he is planning to move his family from Wisconsin to California to live with him.

"I'm really excited," said the embattled head of the bankrupt investment company Bishop, Baldwin, Rewald, Dillingham and Wong.

Rewald has been in contact with Melvin Belli, one of the California attorneys representing him in civil cases.

Rewald, who already has filed multimillion-dollar suits against the CIA, Time and Money magazines and bankruptcy administrator Thomas Hayes, said he will be filing additional suits soon against federal authorities involved in the criminal investigation of his firm.

REWALD SAID he was not surprised at the recent guilty pleas by Sunlin "Sunny" Wong to securities and mail fraud.

"We certainly knew he had made a deal," he said.

Rewald continues to claim he is innocent of stealing millions of dollars from investors and is pursuing his court claims against the CIA. In court papers, Rewald claims the CIA set up his company.

Rewald also said he was not surprised that his civil attorney, Robert Smith, is attempting to withdraw from representing him because he has not been paid some \$150,000 in fees. All of Rewald's assets are frozen by a court order.

He said Smith has been "fabulous to me," and said some day Smith will be paid.

Meanwhile, an attorney for a man about to stand trial in Virginia for spying, met with bankruptcy administrator Hayes yesterday to see if there is anything

in Rewald's files that can help his client.

Richard Craig Smith is accused of providing the identities of six U.S. double agents to a Soviet KGB officer in Tokyo in exchange for \$11,000. Smith claims he was working for the CIA and says he made contact with two CIA agents through phone calls to Bishop, Baldwin, Rewald, Dillingham & Wong.

SMITH'S LAWYERS think that Bishop, Baldwin records will prove that Smith is telling the truth and asked a federal judge to allow them to review records that have been sealed here on national security grounds.

Hayes said he was unable to give Smith's attorney, Brent Caruth, anything to support Smith's claims.

Nevertheless, Hayes said Caruth has subpoenaed him to appear at Smith's trial on July 9 with Bishop, Baldwin bankruptcy records.

The CIA has acknowledged slight involvement with the firm, but has denied allegations that it set up or ran the company.

The CIA reimbursed the company for some \$3,000 worth of long-distance telephone calls, telex charges and stationery for some small subsidiaries operating out of Bishop, Baldwin's offices that were used by the CIA as "commercial covers" for at least one bona-fide CIA agent, according to company records.